



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

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1. Bill Number and Sponsor:

Senate Bill (SB) 850, as passed the Senate
Senator Patricia Birkholtz et al.

2. Purpose:

To regulate certain water withdrawals under Part 327 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), and establish that water withdrawals are not regulated under Part 301, Inland Lakes and Streams, of the NREPA.

3. How This Legislation Impacts Current Programs in the Department:

The bill creates a new program to manage large quantity water withdrawals, which is any withdrawal over 100,000 gallons per day (gpd). It prevents the Department from regulating water withdrawals under Part 301.

4. Introduced at Agency Request:

No.

5. Agency Position:

Support.

6. Justification for the Department's Position:

The Department supports a stepwise approach to providing comprehensive protection to Michigan's valuable water resources. SB 850 and its companion bills provide an important first step and initial framework to provide for comprehensive water management.

This bill establishes the ability to oversee withdrawals over two million gpd through a permit requirement, finally fulfilling Michigan's commitment under the Great Lakes Charter. A standard applied to withdrawals of greater than five million gpd from the Great Lakes preserves Michigan's ability to object to diversions. The bill prohibits withdrawals that cause adverse resource impacts and ties that concept to measurable changes in the environment.

This bill is a first step toward developing water withdrawal regulations. The most prized water resources (trout streams) are afforded specific protections immediately. Other waters will be specifically protected two years from the effective date of the legislation. An assessment tool is to be created to facilitate a determination as to whether a water withdrawal is likely to create an "adverse resource impact." A workgroup is assigned the task to develop the assessment tool.

Existing withdrawals will continue to be evaluated under the legal standards in place at the time investments were made in those withdrawals. There is an assurance that existing legal protections, including those afforded by the Michigan Environmental Protection Act, will continue to apply to water withdrawals.

7. State Revenue/Budgetary Implications:

The bill establishes three fees: \$2,000 for a withdrawal permit, \$5,000 for a voluntary determination by the Department on the potential for an adverse resource impact, and \$200 for the annual withdrawal report. Annual revenue is projected in the range of \$300,000 to \$500,000. This may be approximately commensurate with initial staffing and program expenses. Additional funding is necessary to support development of the assessment tool.

8. Implications to Local Units of Government:

Under tie-barred amendments to the Safe Drinking Water Act, the adverse resource impact standard is applied to municipal water supply systems. Local units of government are prohibited from enacting or enforcing an ordinance that regulates an adverse resource impact caused by a large quantity withdrawal.

9. Administrative Rules Implications:

None.

10. Other Pertinent Information:

This legislation is tie-barred to four related bills:

SB 851: Assigns to the groundwater conservation advisory council the responsibility to design the assessment tool.

SB 852: Changes the reporting requirements for water users.

SB 854: Creates a voluntary system for avoiding and addressing adverse resource impacts among water users within a watershed and establishes limited order authority for the Department to prevent adverse resource impacts.

SB 857: Applies the adverse resource impact standard to municipal water supply systems.



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